

# Ex B to Decl of McCallion

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1  
2 UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

3 -----x  
4 AEDES DE VENUSTAS, INC.,  
5 Plaintiff, Civil Action No.  
6 -against- 1:07-04530  
7 VENUSTAS INTERNATIONAL, LLC,  
8 Defendants.

9 -----x  
10 June 18, 2007  
3:13 p.m.

11  
12 \*\* REDACTED TRANSCRIPT \*\*  
13

14 Deposition of ROBIN BURNS-McNEILL,  
15 held at the offices of JOSEPH H. HEPPT, ESQ.,  
16 521 Fifth Avenue, New York, New York, before  
17 Vicky Galitsis, a Certified Shorthand  
18 Reporter and Notary Public of the State of  
19 New York.

20  
21  
22  
23 GREENHOUSE REPORTING, INC.  
24 363 Seventh Avenue - 20th Floor  
New York, New York 10001  
25 (212) 279-5108

1 R. Burns-McNeill

2 Q. If you could just give me a  
3 summary of your professional background; the  
4 companies you worked for, the years you work  
5 there. I don't need to know the details of  
6 what you did in each one, but just the  
7 companies and the years?

8 A. Bloomingdale's from '74 to '83;  
9 Calvin Klein Cosmetics Corporation from '83 to  
10 '90; Estee Lauder from 1990 to '98; Victoria's  
11 Secret from '98 to 2004.

12 And the current company that I am  
13 with is since when we incorporated, I want to  
14 say a year ago August. It's about 10 months  
15 ago, so it would have been in '06 to present  
16 is Venustas International.

17 I hope that's right.

18 Q. You did pretty well actually.

19 A. Okay, good.

20 Q. You said you were the CEO of  
21 several companies. Which companies were  
22 those?

23 A. Calvin Klein Cosmetics  
24 Corporation, Estee Lauder, and Victoria's  
25 Secret Beauty. And I'm chairman of the

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2 Venustas International, correct?

3 A. Yes.

4 Q. Can you just briefly describe  
5 your duties and responsibilities as chairman?

6 A. Primarily I'm involved in client  
7 interfacing, client -- finding clients,  
8 actually I shouldn't say finding because we  
9 haven't looked for clients. But the  
10 interface, the senior interface with the  
11 client. And I'm also interfacing with the  
12 creative side of our company, which is  
13 predominantly product development and  
14 marketing.

15 Q. Product development?

16 A. Formula and scent development,  
17 and flavor. Formula, flavor and scent.

18 Q. Does the company develop edible  
19 products, is that correct?

20 A. We can, yes.

21 Q. Has it done any edible products  
22 to date?

23 A. Well, nothing we've done to date  
24 has been shipped yet, but we are going to be  
25 shipping mints to one of our clients in the

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2 And HR would be a part of that.

3 We don't have that person identified yet.

4 Q. When you say, "that person  
5 identified", you mean you haven't hired  
6 anybody?

7 A. Right.

8 Q. Can you just describe the  
9 business of Venustas International for me?

10 A. We are a creative development  
11 company and our focus is on various  
12 classifications of beauty products that  
13 include color cosmetics, fragrance, bath and  
14 body care, skin care, home fragrances, and  
15 edibles for men and woman. And all of our  
16 development is for private label products that  
17 are developed for clients who are well  
18 branded.

19 We set a criteria that includes  
20 that they be a billion dollars of sales  
21 revenue annually; that they have a true vision  
22 for growth; that they have a very clear  
23 branded identity; that they've had a  
24 sustainable financial performance; and that  
25 they are their own retailer, they retail in

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2 test that if we don't do it ourselves we  
3 oversee it, if it's done someplace where they  
4 are.

5 Q. Venustas International doesn't  
6 presently have the facilities to do stability  
7 testing and safety testing?

8 A. You have to ask Sam.

9 Q. When Venustas International is  
10 developing a product for a client -- and I  
11 understand you're doing that as we speak,  
12 correct?

13 A. Yes.

14 Q. -- the company doesn't procure  
15 raw materials for that product, it actually  
16 hires an outside company to do that, isn't  
17 that true?

18 A. Yes, like all companies do, yeah.

19 Q. And again with the development of  
20 a product for a client, you hire an outside  
21 company to insure that those new products  
22 comply with FDA regulations?

23 A. Very much so.

24 Q. The name Venustas International,  
25 can you tell me how that name was selected for

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2 your new company?

3 A. Sam's former assistant or current  
4 assistance, I'm not sure which, I think it's  
5 his former assistant, came up with it. And we  
6 were at the time just getting names from  
7 everybody. I had my kids working on it, my  
8 husband, and we were submitting names. And  
9 that one Sam sent to me and he said, you know,  
10 I really like this, and my daughter really  
11 likes it.

12 And I looked at it and I said,  
13 what I think it's good too -- no, I said, what  
14 does it mean? That's what it was. And he  
15 told me.

16 I thought it was an interesting  
17 name. But we lived with it a long time and  
18 then we talked about is it Venustas Beauty  
19 Company, and then it was Venustas Companies,  
20 and then Venustas International. And we all  
21 -- the consensus was Venustas International.

22 Q. During that process, did you  
23 actually come up with names that you threw  
24 into the hopper?

25 A. Yes.

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2 Q. Do you know what any of those  
3 names were?

4 A. Only the one that I really loved  
5 which was Pulse and Robin's Nest, that quickly  
6 went out because it didn't have Sam in the  
7 nest. I thought that would be very nice. I  
8 always wanted a store named that.

9 Q. That's being very clever.

10 A. I know.

11 Q. You're preferred name for the  
12 company, Pulse, why wasn't the company named  
13 Pulse?

14 A. I don't think anybody liked it  
15 but me, quite honestly.

16 Q. Do you know whether it was  
17 submitted for a check by the lawyers to make  
18 sure that the name was available?

19 A. I don't, I don't remember.

20 Q. Would it be fair to say that your  
21 role in the company differs from Mr. Ghusson's  
22 role in the company, in the sense that you're  
23 more creative and he's more of the technical?

24 A. I think that's fair.

25 Q. To what extent do you get



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2 Q. What does that mean?

3 A. That means that you go shopping  
4 to look at competitive products that might be  
5 on the market in whatever category you're  
6 looking to shop for.

7 Q. Sort of like a market research  
8 function?

9 A. I don't know if I would call it  
10 market research. But it's just a learning  
11 exercise to see what's out there.

12 Q. Okay.

13 A. It's not as precise as research,  
14 random.

15 MR. HEPPT: Off the record.

16 (Discussion off the record.)

17 Q. Obviously the Ann Taylor  
18 relationship is central to this litigation.

19 Can you tell me how the Ann  
20 Taylor contract first came to be? I mean, who  
21 made the introduction and so forth?

22 A. The introduction was made by a  
23 man named George Leads.

24 Q. Who is Mr. Leads?

25 A. He is a publisher of a cosmetic

1 R. Burns-McNeill  
2 industry paper publication called Cosmetic  
3 World.

4 Q. And why did Mr. Leads get  
5 involved in making this introduction?

6 A. He knew what Sam and I were  
7 starting as a company. He called me and said,  
8 "You know, Ann Taylor would be a great client.  
9 And I met Kay Krill at a dinner party the  
10 other night, because her next door neighbor is  
11 a good friend of mine that I play golf with.  
12 And I told her that you would be the company  
13 that they should be doing the beauty business  
14 with. And they're exploring some other  
15 companies like Clarins and I think you should  
16 do this."

17 Q. How did Mr. Leads know that you  
18 and Sam were starting this company?

19 A. I probably -- I don't know. I  
20 don't know whether we told him or he heard  
21 about it, I'm not sure.

22 Q. Was there a press release that  
23 was issued?

24 A. No, never. But he knows  
25 everything, what's going on.

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2 this started, so it may have been done, I have  
3 no idea.

4 Q. Thank you.

5 Who would be the person at  
6 Venustas International that would know whether  
7 or not such notice was given?

8 A. Sam, probably.

9 Q. If you would turn to what has  
10 been marked as Plaintiff's Exhibit 17.

11 MR. HEPPT: For the record,  
12 Plaintiff's Exhibit 17 is a two-page  
13 document.

14 Q. Have you seen that before?

15 A. Yes.

16 Q. Can you tell us what that is?

17 A. This was an article that appeared  
18 in Women's Wear Daily about Ann Taylor and  
19 myself and Sam getting together to do their  
20 business.

21 Q. This is actually a front  
22 page article that appeared on Women's Wear  
23 Daily on March 16th, 2007, correct?

24 A. Yes.

25 Q. Does the article describe what

1 R. Burns-McNeill  
2 you and your company would be doing for Ann  
3 Taylor?

4 MR. SHEPHERD: If you need to  
5 read it, go ahead.

6 MR. HEPPT: Absolutely.

7 A. I think I was reading this  
8 paragraph about the company. "Venustas the  
9 company that was founded six months ago whose  
10 mission is to design and develop and deliver  
11 private label beauty products." That I think  
12 sounds like what we do for them.

13 Q. If you look actually three  
14 paragraphs after that.

15 A. "Under the agreement"?

16 Q. "Under the agreement", right.  
17 Can you read that paragraph for me?

18 A. "Under the agreement with Ann  
19 Taylor, Venustas will develop, source and  
20 produce beauty products while Ann Taylor  
21 stores will market and sell the products.  
22 There won't be any third party brand included  
23 in the strategy, Krill said, and the new  
24 products will have their own names  
25 accompanying the Ann Taylor logo. That's a

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2 pretty good description of private labels.

3 Q. That's a pretty good description  
4 of what you would be doing under the agreement  
5 with Ann Taylor?

6 A. Yes.

7 Q. Again I understand that the  
8 writer of the article attributed this  
9 statement for Ms. Krill. But do you have any  
10 understanding as to what she meant when she  
11 said, "There wouldn't be any third-party  
12 brands included in this strategy"?

13 A. Yes, that means there wouldn't be  
14 brands that don't have the Ann Taylor name on  
15 it in her store.

16 Q. The very next sentence reads,  
17 "According to Burns, specialty stores  
18 represent the fastest growing channel for the  
19 beauty business growing at 9.1 percent rate  
20 for 2001 to 2006." Do you see that?

21 A. Yes.

22 Q. Is that a correct statement?

23 A. It is based on the Klein's  
24 definition of specialty, yes. And it's in the  
25 presentation that we had made to them showing

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2 And there are other sources that measure  
3 things differently.

4 Q. Do you know whether Klein's  
5 definition of specialty retail stores focuses  
6 on the number of doors in a particular city?

7 A. It is not based on number of  
8 doors.

9 Q. Is it based on the type of  
10 product that's being sold?

11 A. I don't know.

12 Q. You obviously were interviewed  
13 for this article, correct?

14 A. Yes.

15 Q. Were you given a draft of the  
16 article before it was published?

17 A. No.

18 Q. Was the article written at the  
19 request of either yourself or Ms. Krill?

20 A. Definitely not me; and  
21 definitely, yes, Ms. Krill.

22 Q. Did she discuss with you the idea  
23 that she was going to have an article written  
24 about the agreement?

25 MR. SHEPHERD: I object to the

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2 form of the question.

3 A. No.

4 Q. Let me try that again.

5 Before the article was published,  
6 did Ms. Krill discuss with you her intention  
7 to have an article written?

8 MR. SHEPHERD: You can answer the  
9 question.

10 MR. HEPPT: I think that one is  
11 okay.

12 MR. SHEPHERD: Yes.

13 A. She did not discuss that she was  
14 having an article written.

15 Q. Did she discuss with you her  
16 desire that an article be written?

17 A. Yes.

18  
19 (Pages 45 & 46 are designated  
20 "Confidential - Attorneys' Eyes Only"  
21 and are bound under separate cover.)  
22  
23  
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25

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2 A. Yes.

3 Q. Who is the other person?

4 A. Pierre Dinand is a perfume bottle  
5 designer, who's probably in his '80s at this  
6 point, who I've known since the late '70's.  
7 And I worked with him on my very first  
8 fragrance which was Obsession. He designed  
9 the bottle; and went on to design many bottles  
10 for me.

11 And so I worked very intimately  
12 with him for almost 30 years and his sons who  
13 were in school who are now -- he references  
14 Jerome, one of his sons, who has now become a  
15 designer himself, and his father kind of had  
16 retired. But he is a wonderful man who I've  
17 just known for a long time. And his son I've  
18 been actually working with in our new venture.

19 And this was an e-mail that I  
20 hadn't heard from him in a long time that  
21 basically was saying --

22 Q. He says to you, "Dear Robin, nice  
23 to hear from you." Had you contacted him?

24 A. No, he contacted me, but it was  
25 kind of like, where are you, and that kind of



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2 thing.

3 Q. You updated on your new company,  
4 that you were starting a new company with  
5 Mr. Ghusson?

6 A. No, no, no. It was - I don't  
7 even know, I have to look it up. This was the  
8 only thing, because I brought it for Bob that  
9 referenced anything. Because this was the  
10 first time I ever saw this name. But this  
11 was -- I can't remember exactly what the  
12 previous e-mail was, but it had nothing to do  
13 with this.

14 This is the first time that he  
15 had e-mailed me and mentioned this Aedes De  
16 Venustas web site, which all I did is try to  
17 correct his opinion, because he had designed  
18 bottles. He was all excited that I was in the  
19 business selling his work.

20 His other -- I know what it is.  
21 His other e-mail is about the fact that he's  
22 going to go into business with his son, and  
23 wanted me to know about that. And I sent it  
24 back to him, congratulations, that kind of  
25 thing.

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2 Q. So you replied to his e-mail and  
3 you clarified that Aedes De Venustas is not  
4 your company, that your company is actually  
5 Venustas International?

6 MR. SHEPHERD: Objection to the  
7 form.

8 A. Right. Can you repeat the  
9 question?

10 Q. I was just actually looking at  
11 your reply to him, and looking at the  
12 paragraph that begins, "Important for you to  
13 know". You were correcting him that Aedes De  
14 Venustas was not your company, that your  
15 company was, in fact, Venustas International?

16 A. That's correct. That's what it  
17 was I was responding -- Oh, no. Never mind.

18 MR. HEPPT: Thank you.

19 (Time noted: 4:21 p.m.)  
20  
21  
22  
23  
24  
25